

	<p style="text-align: center;"><b>Department of Administration</b></p> <p style="text-align: center;"><b>Policy – External</b></p> <p style="text-align: center;"><b>Risk Management &amp; Tort Defense Division</b></p> <p><b>Subject:</b> Telecommuting – Insurance Coverage for Property of State Agencies in Care, Custody, and Control of state employees. A copy of this policy should be place in each agency’s Risk Management Program Binder, Section XIV.</p>	<p><b>Number:</b> FY01-01</p>
		<p><b>Effective Date:</b> 9/1/00</p>
		<p><b>Approval:</b> Final</p>

## **I. PURPOSE**

Under §2-9-201, MCA, the Department of Administration, Risk Management & Tort Defense Division is responsible for the acquisition and administration of all the insurance purchased for the protection of the state as defined in §2-9-101, MCA.

In many instances, state agencies allow state employees to use state equipment while they work from or out of their homes. The purpose of this policy is to outline coverages that are provided under the state’s self-insured property/casualty plan and to specify deductibles, policy limits, and responsibilities of state employees.

## **II. HOMEOWNER’S COVERAGE**

State property is typically covered under most state employee homeowner’s policies subject to a \$2,000 limit or whatever the specific policy provides for business equipment in the care, custody, and control of the homeowner (state employee).

## **III. SELF-INSURANCE AGREEMENT**

The Risk Management & Tort Defense Division agrees to cover direct loss or physical damage to real property owned by the state that is in the care, custody, and control of a state employee telecommuter provided that he/she is an authorized employee of the state as defined in §2-9-101, MCA. The state’s coverage is excess of the employee’s homeowner insurance. Agencies pay a \$1,000 deductible per occurrence.

#### **IV. COVERAGE EXCLUSIONS**

- A.** The division will not pay for mysterious disappearances.
- B.** The division will not pay damages that were within the ability of the state employee to prevent, but were not prevented. Examples include, but are not limited to, failure to protect the equipment from intentional damage inflicted by residents of the home, failure to protect the property from additional damage caused by covered perils (i.e. flood) after the loss occurred.
- C.** The division may not pay for claims for damages where adequate security for the property (i.e. leaving the home unlocked, leaving valuable state property in an open vehicle, etc.) was not provided.

#### **V. PROPERTY COVERED**

All personal property of the state held by the state employee or in the state employee's care, custody or control, or for which the state may be held legally liable as long as the property is being used for official state business.

#### **VII. STATE EMPLOYEE RESPONSIBILITIES**

- A.** State employees must take reasonable and precautionary steps to protect state property from being stolen.
- B.** State employees must take reasonable and precautionary steps to limit damages to state property once a loss has occurred. Example: After a flood loss, the state employee should move the state's equipment to higher ground, or if it has been damaged already, move it to a dry area.
- C.** The employee and his/her supervisor must promptly complete the Report of Incident and follow the procedures found on the division's website or in the Risk Management Procedures Manual .

#### **VIII. STATE AGENCY RESPONSIBILITIES**

- A.** Maintain an inventory of equipment on loan to the state employee telecommuter and make sure that the equipment is returned upon termination of the agreement.
- B.** Follow the claims procedures found on the division's website and file the claim in a timely manner.

A COPY OF THIS POLICY SHOULD BE PLACED IN THE RISK MANAGE PROGRAM BINDER, SECTION XIV.